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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 4748/2026 and CM APPL. 23244/2026

M/S NKG INFRASTRUCTURE LTD. .....Petitioner

Through: Mr. Arjun Raghavendra , Ms. Khushpreet, Mr Kaushik V , Mr Divyansh Jain, Mr. Stephin George , Mr . Paritosh Jain, Advocates.

versus

PUBLIC WORKS DEPARTMENT, DELHI & ANR. .....Respondents

Through: None.

CORAM:
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

O R D E R

% 10.04.2026

1. The petition is for the following reliefs:

"*A. Issue a writ of Certiorari or any other appropriate writ, order or direction, quashing the impugned recovery letter dated 06.04.2023 effected by the Respondents to the extent it exceeds the amount permissible under the Office Memorandum dated 27.05.2022;*
B. Issue a writ of Mandamus or any other appropriate writ, order or direction, directing the Respondents to refund the excess amount of Rs. 4,70,37,235/- (Rupees Four Crore Seventy Lakh Thirty-Seven Thousand Two Hundred Thirty-Five Only) illegally recovered from the Petitioner;
C. In any event, direct the Respondents to pay interest @18% per annum on the aforesaid excess amount from the date of recovery till the date of actual refund;"

2. The petitioner is a Public Limited Company incorporated under the Companies Act, 1956. The petitioner is challenging the recovery letter dated

06.04.2023 (**hereinafter "impugned letter"**) issued by respondent no. 1 – Public Work Department **(hereinafter "PWD").**

3. The grievance of the petitioner is that the impugned letter is contrary to the stipulated methodology prescribed under Office Memorandum dated 27.05.2022 (**hereinafter "OM"**) by Central Public Works Department (**hereinafter "CPWD"**) for determining Goods and Services Tax (**hereinafter "GST"**) impact on pre-GST contracts.

4. The petitioner-company had been awarded a contract for construction of Delhi Campus of Guru Gobind Singh Indraprastha University. It is the case of the petitioner that the said contract was executed under pre-GST Value Added Tax **(hereinafter "VAT"**) regime and is governed by Clause 38 of CPWD General Conditions of Contract 2014 (**hereinafter "GCC 2014"**).

5. The petitioner submits that it is entitled for reimbursement of statutory levy under Clause 38 of GCC 2014 imposed after submission of the tender.

6. It appears that upon introduction of GST, the CPWD has issued a series of OM's for reimbursement. The final OM is dated 27.05.2022. On 29.02.2020 and 14.01.2021 the petitioner was reimbursed a total amount of Rs.4, 22, 20,322.

7. However, in the year 2023, *vide* the impugned letter the respondents sought to recover the amount already reimbursed to the petitioner along with certain other amount. The amount has been finally recovered by the respondents from the bank guarantees furnished by the petitioner.

8. The petitioner seems to have raised the grievance by way of the various representations. One of the representations is dated 25.02.2026. There does not seem to be any adjudication by respondent no.1- PWD.

9. Accordingly, let the petitioner to file a fresh representation along with a copy of this order within ten (10) days from today.

10. Let the PWD i.e. respondent no.1 herein to deal with the petitioner's representation in accordance with law and to pass an appropriate order after affording opportunity of hearing to the petitioner, within a period of three months from the date of receipt of the representation.

11. With the aforesaid directions, the petition, along with pending application, stands disposed of.

12. All rights and contentions are left open.

PURUSHAINDRA KUMAR KAURAV, J

APRIL 10, 2026
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